

## **The complaint**

Mr K on behalf of business “E” is unhappy that Starling Bank Limited (“Starling”) declined his application to open a business current account stating he did not meet its eligibility criteria but failed to elaborate on the reasons why.

## **What happened**

Mr K holds a number of accounts with Starling including business accounts. Mr K acquired a new business E and contacted Starling on 10 January 2024 as he wasn’t able to accept or submit an invite from the former owner of E to open a business account with it.

Starling’s agents initially thought it was a technical issue and ran through troubleshooting steps with Mr K but were unable to resolve the issue. This was incorrect and Mr K was told on 12 January he couldn’t open the business account for E as it didn’t meet Starling’s eligibility criteria.

Mr K complained to Starling about this and for not providing a clear reason for declining the application. Starling didn’t uphold Mr K’s complaint it says the correct process was followed and that Mr K wasn’t eligible for a further business account at this time. But following bringing his complaint to this service Starling offered him £50 in compensation for the inconvenience.

Mr K was unhappy with this, he wants to know the reason why Starling won’t open the account.

One of our investigators looked into Mr K’s concerns and didn’t see any basis to say Starling had acted unfairly or made a mistake as Starling was under no obligation to open an account for a customer if it doesn’t wish to do so – this is a commercial decision that it’s entitled to take. They agreed that Starling ought to have explained to Mr K earlier that E didn’t fit the eligibility criteria but thought the £50 compensation Starling offered for this inconvenience was reasonable.

Mr K disagreed and has asked for an ombudsman’s decision.

## **What I’ve decided – and why**

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

My role is to look at the problems Mr K has experienced and see if Starling has done anything wrong. If it has, I would seek – if possible - to put Mr K back in the position he would’ve been in if the mistakes hadn’t happened. And I may award compensation that I think is fair and reasonable.

As has already been explained by our investigator, as a general rule Starling isn’t obliged to open an account for a customer if it doesn’t want to – providing banking services and facilities and to who is a commercial decision and not something for me to get involved with.

That being said it wouldn't be fair for Starling to refuse Mr K an account for E without valid reason or reasons that could be considered unfair or discriminatory.

And having looked at all the information provided, I'm satisfied that Starling's decision not to open an account for E is unfair and or due to any discrimination - indeed, Mr K currently holds other accounts with Starling - but rather, it is due to Mr K and E not meeting its eligibility criteria.

I appreciate that this has caused some frustration to Mr K as finding another banking provider for E to open an account with and continue to operate will be an inconvenience and Mr K would like to know exactly why Starling made the decision not to open an account with E. But Starling aren't obliged to offer services to customers or provide a reason for the commercial decisions it takes, just as Mr K wouldn't be expected to say why he chose a particular business to bank with.

So, I don't think Starling has done anything wrong or treated Mr K unfairly for not disclosing exactly the reasons why it won't open an account.

I do however think that Mr K was inconvenienced when he was told it was a technical issue which resulted in him unnecessarily having to go through troubleshooting steps with Starling's agents. But Starling has acknowledged it failed in this regard and offered Mr K £50 compensation for this. I think this is a fair offer as I haven't seen enough to suggest that Mr K has suffered detriment which I think justifies compensation above this amount.

So it follows that I think Starling offer of £50 is enough to settle Mr K's complaint on behalf of E.

### **My final decision**

For the reasons I've explained I've decided that the offer of £50 compensation is enough to settle Mr K's complaint on behalf of E with Starling Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 15 July 2024.

Caroline Davies  
**Ombudsman**